



Delegation Meeting Minutes **January 7, 2014 at 4:00 PM**

Chair Worsman called the Belknap County Delegation meeting to order at 4:00 PM on the above date at 34 County Drive, Laconia, NH and recited the pledge of allegiance.

In Attendance: Representatives Burchell, Comtois, Luther, Cormier, DiMartino, Flanders, Greemore, Gulick, Fields, Holmes, Huot, Raymond, Sylvia, Tilton, Worsman, Arsenault, Fink and Vadney.

Also present: Commissioners Thomas, Philpot and Nedeau, Finance Director Glen Waring and County Administrator Debra Shackett.

Minutes for approval: M/Huot, S/DiMartino to approve the 12/10/13 minutes as proposed (noting changes made from original draft to edited draft). 16 – Y. 2– abstained (Arsenault and Fink). **Motion carries.**

Meeting Decorum: Chair Worsman announced that the meeting decorum moving forward is to be the same as the house process that they use in Concord in that all members will maintain professionalism. The meetings will be conducted following the same house guidelines. If anyone forgets this, she will ask the individual to remove her/himself until they regain control but will not hesitate to ask for assistance from an officer or the sheriff if necessary.

2014 budget presentation: Chair Worsman reviewed a power point presentation she prepared on the budget. (See attached) The presentation concluded at 4:15 PM and Chair Worsman asked for comments or concerns from the delegation. Delegation members requested to see the department managers initial requests made to the Commissioners. They again requested that the sub committees be established to meet with each Manager. It was requested that the Commissioners letter be attached to the record of this meeting. (Attached)

M/Vadney, S/Greemore re:2014 budget that there will be no increase in appropriations for salaries and benefits until there is a substantial increase in the employee contribution of healthcare costs and a review of all salaries and positions (pay and benefits). Chair called for a roll call vote. 11 – Y (Burchell, Comtois, Cormier, Fink, Flanders, Greemore, Holmes, Sylvia, Tilton, Vadney, Worsman. 7 – N (Arsenault, DiMartino, Fields, Gulick, Huot, Luther, Raymond. **Motion carries.**

M/Tilton, S/Vadney to appropriate Zero for the contingency line in 2014. (Zero out) Rep. Gulick stated that the delegation is digging a hole here. Rep. Huot said that is used for things like out

sourcing our inmates when needed (one example). Rep. Tilton noted that he wanted to eventually create a contingency fund (vs. a contingency line). Rep. Fields asked about the effect on bond issues. Rep. Worsman said it is not relevant to contingency. Chair called for a roll call vote. 11 –Y, (Burchell, Comtois, Cormier, Fink, Greemore, Holmes, Luther, Sylvia, Tilton, Vadney, Worsman). 7 – N, (Arsenault, DiMartino, Fields, Flanders, Gulick, Huot, Raymond) **Motion carries.**

At 5:40 PM, Chair Worsman accepted comments from the public. Kurt McGee of Sanbornton suggested enacting legislation to allow for bi-annual collection of taxes by the counties. Steve Merrill of Meredith asked the Delegation to respect that the Commissioners were elected to do a job and that the county provides critical services. That the Delegation should get into the weeds and find out the impact on services with proposed cuts. Craig Wiggin (Sheriff) of Meredith reminded everyone in the room that they were all elected by the same people and that his constituents want to see the delegation do their job through the subcommittee process and to learn the impacts of their actions. Peter Mulcahy of Gilmanton suggested bringing the subcommittee process through the whole delegation. Dave Devoy of Sanbornton asked what is the point of sub committees if the Commissioners are just going to do what they want. Kurt McGee of Sanbornton said that the county only expends 92% of their budget. Rosemary Landry of Meredith thanked the delegation because people can't afford more taxes. Raymond Howard of Alton stated that he would like all levels of government to level fund until the economy turns around. Gail Morrison of Sanbornton asked that the delegation take the time to listen to department managers then make decision from there.

M/Arsenault, S/Huot to proceed with the traditional sub committees process, as in the past and open to the public be followed. Hand vote. 11 – Y, 7 – N. **Motion carries.**

Rep. Worsman instructed subcommittee chairs to get in touch with Administration to schedule their subcommittee meetings in January. Committees will gather input at their work sessions, but no votes on the bottom lines. Rep. Gulick objected to that. Rep. Worsman explained that salaries and benefits will be discussed with a committee of the whole therefore a bottom line vote will need to be taken when we come together to discuss the whole budget. Rep. Worsman would like to have a meeting around the first week of February to discuss findings/recommendations and then another on 2/18/14 to vote on the budget.

M/Luther, S/Fields to adjourn at 6:15 PM. Unanimous. **Motion carries.**

Respectfully submitted,

Angela A. Bovill, Administrative Assistant

A true record Attest:

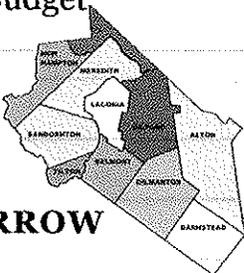
Jane Cormier, Clerk of the Delegation

Stepping into the 2014 Belknap County Budget

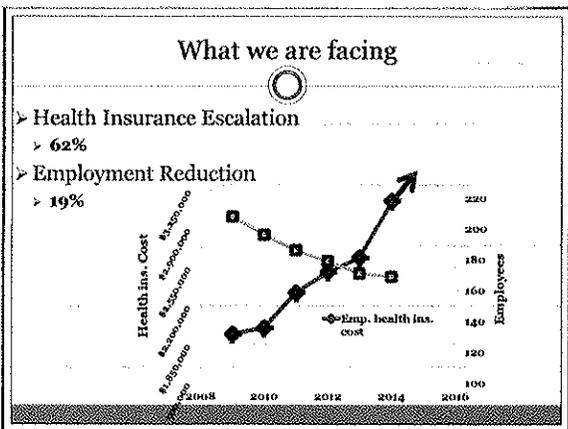
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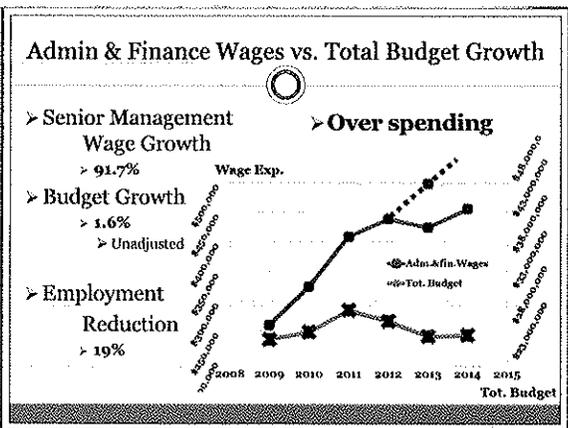
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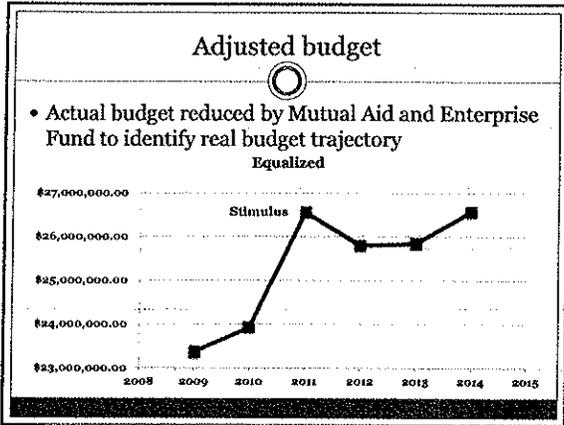
TOMORROW



By Representative Worsman on 1/7/14







Our Responsibility...

○

To serve our constituents in a responsible way, taking care of their hard earned tax paying dollars.

- > Establish
 - > Sustainable, Constructive, Reasonable spending
- > Maintain
 - > Affordable property tax assessments
 - > Mindful of tax cap communities
- > Provide
 - > Transparency in budgeting process
 - > Clarity for taxpayer to decipher information regarding budget
 - > Setting a realistic and reasonable budget with ACTUAL figures taking into account future financial challenges.

Conclusion

○

- Need to address skyrocketing health insurance costs
- Irresponsible wage increases (Admin & Finance)
- Process of spending taxpayer dollars without approval and against delegation voted budget
- Clarity of adjusted budget in eliminating Mutual Aid and Enterprise Fund
- Representing fairness to taxpayers as THEY fund the county budget
- Present to our community a clear and easy to decipher budget they can reasonably afford

Presentation Notes

This presentation, as delineated in the agenda, will be followed by questions, comments or concerns by the delegation, followed by an opportunity for the public to ask question or add comments.

First Slide

2014 Budget:

We have before us the Commissioners proposed 2014 budget. We will examine it line by line. As in our 2013 budget, we may vote to require the Commissioners to seek Executive Committee approval for intra and inter departmental appropriation transfers. We must be cognizant of the fact that the Commissioners, in a March 13, 2013 meeting, unilaterally approved a "Plan C" response to the delegation approved 2013 budget. "Plan C" made 90 appropriation changes to the delegation voted 2013 budget. These 90 appropriations were made without the required Executive Committee approval per this delegations' March 4, 2013 budget vote. The majority of this elected delegation believes the Commissioner's "Plan C" edict is in direct violation to RSA 24:14 & 24:15.

County laws were established to include checks and balances to promote transparency in protection of the taxpayer. In "Plan C", the balance of "separation of powers" has been violated. In addition this Delegation has been FALSELY blamed for underfunding maintenance and capital expenses. The delegation indeed came together and offered only responsible cuts to ANY portion of the 2013 budget. Rather, it was the commissioners, with their 90 unapproved appropriation changes that caused underfunding of these items in the 2013 budget.

The Commissioners, with oversight by the Administration overspent salary and benefit lines to the detriment of maintenance and capital. This will be displayed.

Here is an overview of where we have been and the potential financial meltdown ahead for Belknap County, should this trending information not be heeded.

Slide 2: SO WHAT ARE WE FACING?

Health insurance is skyrocketing and if the taxpayers continue to carry this, it will break them. However this is addressed; IT MUST BE ADDRESSED.

- It is up to the commissioners to explore all options. Some of which are similar to private industry such as funding the cost of a single plan and allowing employees to fund according to their circumstances (i.e. two person or family) OR
- Choosing significant plan changes, OR other options

It is the responsibility of the delegation to appropriate money for this purpose per RSA 24:13 as it is for all purposes.

It is the commissioners' responsibility to wisely spend those funds appropriated

In 2013, this delegation adjusted the funding of this line in each department to incorporate the mid-year increase. This clearly was not acceptable to the commissioners as in almost every department; funds were shorted from other purposes to FURTHER increase this appropriation to support the Commissioners' "Plan C" approach. This graph shows, remaining on this track will be a train wreck, for Belknap County taxpayers. 2014 is projected to be more than a \$500,000 increase over 2013. This increase happens even though the number of employees has been reduced during the period shown, by nearly 19%. Once again it is clear, "Plan C" was the reason there was a reduction in maintenance and capital expenditures and it was not good for the Belknap County Taxpayers. WE CANNOT continue on this path. Our Counties Health Insurance costs have risen 62% even though we have 19% less employees over this time period. 12% of the total 2014 budget goes to Health Insurance. Yes 12%

Slide 3 Admin & Finance Wages vs Total Budget Growth

On the left side shows wages and right is total budget. Another driver to this budget which can no longer be ignored is the ballooning salary cost of the Administration and Finance departments. These departments are comprised of only 6 employees. However, the salary costs to these six employees have risen a whopping 91.7%! Let me repeat that - a 91.7% increase in salary costs since 2009. While the numbers of employees have been reduced by 19% over the same time, the Administration and Finance departments have not shared the financial challenges of other county workers. Indeed, they have THRIVED.

You might be wondering what the *point* is accented by the dotted line. Well the line is the budgeted amounts. The point just under the \$500,000 mark is the projected overspending in the combined wages in the Administration and Finance Departments. Yes, the 2013 budget is projected to be overspent by \$42,000. That is using the salaries given to the delegation by the county staff. (*Lift 2013 salary paper*) Using the delegation voted budget, salaries in this department are projected to be overspent by a whopping \$73,000. When further explanation and delineation of this matter was requested of the staff, as the salary values didn't reconcile. The County Commissioners responded in a letter addressed to the chair, it was stated "So let us be clear, we will not be providing you with data or information in any format other than that with which we utilize." It is interesting to note, that while the Commissioners and Administration are quick to promulgate the myth that the majority of this delegation has been difficult to work with, this type of communication is clearly being obstructive to the objective of serving our constituents. This fiscally conservative majority are not "bad people", as one of our commissioners has put forth in the press. Taxpayers need to be represented and the system of checks and balances ensures this will happen. This is why we find fault with the "Plan C" approach of the Commissioners as it does not serve the taxpayers of Belknap County.

Slide 4 Adjusted Budget

Now, let's look at the budget adjusting it for the two major changes made during the 2009-2014 period. We discontinued the Nursing Home Enterprise Fund in 2013 and the Mutual Aid Fund in 2014. Each of our communities appealed to us to ensure that the money now assessed in the town

budgets was not replaced in the County budget with more spending. CLEARLY the commissioners 2014 budget does not comply with this appeal. In fact the 2014 budget brings spending equal to the year we received the Federal Stimulus money of nearly \$2.7 Million. On behalf of our constituents it would irresponsible to affirm this budget.

Slide 5 So what is Our Responsibility?

In 2013 this delegation received from the Commissioner a budget that would have raised taxes nearly 9%. It took a tremendous amount of hard work and effort on the part of the members of this delegation to reduce that budget.

For the 2014 budget, our responsibility, ALL 18 OF US, is to work to establish a budget that is sustainable, constructive and contains a reasonable spending level. We are charged with maintaining an affordable property tax assessment and we must be mindful that we are only one component of our community's tax rate. Additionally we must provide transparency in our budget so anyone can look at it and decipher costs and trends in those costs. Finally we must be mindful that this county faces substantial future financial challenges.

Slide 6 "To summarize" Conclusion

It is now time to put confrontation aside and work together for the taxpayers of Belknap County. We, the Belknap County Delegation, have now received the Commissioners recommended 2014 budget.

This delegation is tasked to produce an appropriation level that our communities can afford providing the NECESSARY services for Belknap County.

We must appropriate funds for every line that reflects spending levels WE CAN AFFORD. This includes wages and benefits particularly in the ballooning departments of Administration and Finance.

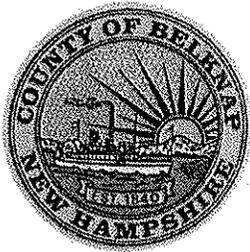
The process of spending taxpayer dollars without approval and against the delegations voted budget must end.

We cannot spend at the level of the tremendous Stimulus days.

We must be mindful that we are representing fairness to taxpayers as THEY fund the County Budget.

And we must be able to present to our communities a clear and easy to decipher budget they can reasonably afford.

This is what we are called to do and it is my intention as Chair of this Delegation to move forward collectively and candidly in this process to keep the communities of Belknap County an affordable place to live. So thank you and let's get to work.



BELKNAP COUNTY COMMISSIONERS
34 County Drive
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Phone (603) 527-5400

John H. Thomas
Chairman

Edward D. Philpot Jr Vice
Chairman

Stephen H. Neddeau
Clerk

To : Representative Worsman
From: Belknap County Commissioners
Date: 12/27/13
Re: email correspondence with Debra Shackett

CC: Belknap County Delegation

You have been requesting information from the County Administrator regarding the 2014 budget. Much of the information that you are requesting requires us to deviate from our standard methods of accounting. The Commissioners, not the Delegation, are responsible for proper fund accounting. We will continue to provide you with whatever information you require to assist you in determining the level of appropriation required. We will not maintain a separate set of records for you.

Many of your questions are of the nature traditionally and historically asked in subcommittee meetings with department heads present. If you chose to forgo the subcommittee process or any other public mechanism for vetting the Commissioner's budget recommendations, and you continue to view only limited aspects of this budget which are of interest to you, you will not be considering the entire budget in context. We feel that would diminish your ability to make informed decisions about the proper level of funding necessary for county operations.

You have been provided with current salaries, a worksheet showing how the costs are distributed, and projected salaries for 2014. We have offered to further define any and all line items within our budget recommendation and to provide further supporting documentation, if requested.

Last year we showed you separate lines for department manager wages on our budget worksheet in an effort to accommodate your demands. We told you then that these lines were not going to be added to our chart of accounts or our general ledger and they were not maintained during the year. It is unreasonable to think the County should change its chart of accounts to accommodate each new Delegation. Again, managing the chart of accounts is our job, not yours.

As you know, we have changed the method of accounting for the allocation of administrative wages based on the advice of the County's independent audit firm. Your proposed method would not be proper accounting and would potentially cost the county lost revenue.

The day to day management of the county, the chart of accounts utilized, as well as the general ledger is the responsibility of the Belknap County Commission. We intend to continue to follow the advice of the professionals who we engage to assist us and to work with our highly qualified administrative team in doing so.

So let us be clear, we will not be providing you with data or information in any format other than that which we utilize. There are good and valid technical reasons why we account for salaries and expenditures the way we do. We have explained why and you don't seem to like it, but your attempts to change the way we work exceed the scope of your authority.

We have directed the Administrator to respond to your requests in a timely manner but to not alter or create accounts to suit your needs, or more to the point, your agenda.

If you have additional questions and would like to meet with us, we would be happy to do so.